

**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency  
Washington, DC 20250

**Notice LP-1901**

**For:** Texas State and County Offices

**2001-2002 One Year Deferred Wheat Karnal Bunt Compensation**

**Approved by:** Deputy Administrator, Farm Programs



**1 Overview**

**A**

**Background**

On May 1, 2002, an interim rule was published in the Federal Register that allowed some producers in 4 counties in Texas a 1 year deferred payment for 2001 crop wheat Karnal Bunt compensation.

Karnal Bunt compensation is being provided to wheat producers in Young, Throckmorton, Baylor, and Archer Counties in Texas in previously regulated areas where producers did not receive compensation before the 2002 crop year.

**B**

**Purpose**

This notice provides policy and procedures for issuing 2001-2002 Karnal Bunt compensation payments.

**2 General Issues for Compensation**

**A**

**Determining Eligibility**

For producers to be eligible for deferred compensation for the loss in value of their wheat, the wheat must have been grown or stored:

- in Archer, Baylor, Throckmorton, or Young Counties in Texas
- in an area of Texas that was regulated for Karnal Bunt or under Emergency Action Notification (EAN) **after** the 2002 and subsequent wheat crop was planted
- on fields not previously eligible during or before the 2000-2001 crop.

Producers would be eligible if fields other than those found positive in 2000-2001 crop year were positive in 2001-2002.

Continued on next page

Disposal Date	Distribution
July 1, 2003	Texas State Office; State Office relay to applicable County Offices

## Notice LP-1901

### 2 General Issues for Compensation (Continued)

---

#### B

##### Requesting Compensation

To request compensation according to this notice only, producers, handlers, and seed companies shall:

- make the request in the County Office located in the regulated area
  - make the request on or before March 3, 2003, for **2002** crop
  - complete PPQ-926 according to Exhibit 1
  - provide the Federal tax identification number for IRS reporting purposes
  - provide the documentation according to subparagraph C.
- 

#### C

##### Documentation Required

To receive compensation under the 1 year deferral, producers shall provide the following documentation to the County Office. Producers must submit a:

- copy of the contract under which the wheat was grown, if wheat was under contract
  - copy of EAN or formal letter issued by APHIS
  - Karnal Bunt certificate issued by APHIS:
    - showing test results
    - indicating the field(s) wheat was grown on
  - verification of actual, not estimated, weight of wheat, such as a copy of a facility weight ticket, or other verification
  - copies of **sale** receipts showing:
    - total bushels sold
    - price received for wheat sold for **grain**.
- 

#### D

##### Compensation Rate

**Producers** who planted wheat for the 2001-2002 crop year in Archer, Baylor, Throckmorton, or Young County that was **not** found to contain Bunted kernels in 2000-2001 crop year will be **eligible** for compensation at \$.60 per bushel.

---

Continued on the next page

## 2 General Issues for Compensation (Continued)

---

### E

#### Ineligible Producers

Producers who received compensation for loss in value for the 2000 and 2001 crop wheat on fields that were found positive in the 2000-2001 crop year are ineligible for compensation under the 1 year deferral provisions.

---

## 3 County Office Action

---

### A

#### Accepting Requests

County Offices shall:

- for **2001-2002** crop year wheat, immediately begin accepting requests for compensation payments and act upon all requests received from eligible producer's or handler's compensation through March 3, 2003
  - assist producers and handlers in completing PPQ-926, according to Exhibit 1
  - review the following documents for required information:
    - Karnal Bunt certificate of results
    - sales contract, if applicable
    - final sales receipt
    - documentation supporting that the seed is certified or eligible for certification
    - verification of wheat or quantity
  - retain documents applicable to Karnal Bunt compensation for 5 years from date of compensation.
- 

Continued on the next page

## Notice LP-1901

### 3 County Office Action (Continued)

---

#### B

##### Issues Not Addressed

For requests received involving issues not addressed in this notice, County Offices shall:

- continue to accept requests from producers, handlers, and seed companies
- obtain as much detailed information from producers, handlers, and seed companies as possible to support their claim
- submit these claims to PSD through the State Office.

The submitted claim request files will be reviewed by PSD and an APHIS representative. Upon completion of the review of files and any additional documentation that may be requested, a determination will be made and remanded to the County Office for payment or additional action as necessary.

---

#### C

##### APHIS Forms

PPQ-926 may be found on the APHIS website at <http://www.aphis.usda.gov/ppq/emergencyprograms/karnalBunt/>.

**Note:** PPQ-927 is not applicable for this compensation.

---

#### D

##### Monthly Summary

County Offices issuing Karnal Bunt compensation payments according to this notice shall:

- prepare and maintain a manual list indicating the following information:
    - producer or handler name
    - Federal tax identification number for IRS reporting purposes
    - number of bushels per request
    - amount of funds provided to the producer or handler
    - State and county from which compensation is provided
  - provide the information to the State Office by the first workday of each month.
- 

Continued on the next page

### 3 County Office Action (Continued)

---

#### D

##### Monthly Summary (Continued)

State Offices shall:

- compile the information submitted by the County Offices
  - submit the information by FAX to PSD at 202-690-3307 by the 5th workday of each month, ATTN: Kimberly Pritchett.
- 

#### E

##### Authorization of Funds

Authorization of funds for compensation payments will be issued to State Offices, under separate cover, from PSD using FSA-357. As funds are depleted in the State, the State Office shall request additional funds from PSD.

County Offices shall receive authorization of funds from the State Office.

**Note: Compensation payments shall not be issued until authorization of funds has been received.**

---

#### F

##### Processing Karnal Bunt Compensation Payments

The need for improved funds control necessitated implementing an automated funds control process. This process will provide real-time funds control for programs with a spending limitation. E-FC process consists of a web application that works with AS/400 and System 36 software.

All future Karnal Bunt payments shall be made using E-FC. The software for this program will be included in County Release 504. An FI Notice with instructions for issuing the Karnal Bunt payments using E-FC processing will be issued in the near future.

County offices shall not issue the payments until receipt of County Release 504 and the FI Notice.

---

#### G

##### APHIS Program Payment

APHIS program payments are **not** subject to:

- prompt payment provisions
  - the finality rule
  - offset
  - assignment.
-

# Completing PPQ-926, Karnal Bunt Compensation Claim Form

---

**A****Completion  
Instructions**

For Karnal Bunt compensation requested according to this notice, assist the producer, handler, or seed company, as applicable, in completing PPQ-926, according to this table.

Item	Instructions
1	Enter name, address, and Federal tax identification number for producer, handler, or seed company, as applicable.
2	Enter applicable crop year.
3	Enter the applicable class of wheat.
4	Check the appropriate box.
5	Indicate in “other”, “1 year deferred”. Wheat grain” and “wheat seed” are ineligible for this payment.
6	Check appropriate boxes as applicable to the request.
7	Check the appropriate box. Indicate date of certificate of test results.
8	Enter contract information, as applicable.
9	Enter eligible bushels.
10	Check the “NA” box.
11 and 12	Obtain producer’s signature, as applicable, and date.
13	Enter .60 cents as the compensation rate in “other” and indicate “1 year deferred”.
14	Calculate the compensation payment by multiplying the quantity of eligible wheat time the compensation rate.
15 through 17	Leave blank.
18, 19, and 20	Check appropriate box, obtain applicable approval signature, and date.

---

Continued on the next page

## B Example of PPQ-926

*According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0579-0121. The time required to complete this information collection is estimated to average .5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.		<b>FORM APPROVED -</b> <b>OMB NO. 0579-0121</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b> Animal and Plant Health Inspection Service Plant Protection and Quarantine		
<b>KARNAL BUNT COMPENSATION CLAIM FORM</b> <i>(No compensation can be made without completion of this form)</i>		
<b>1. APPLICANT'S NAME, ID NUMBER, AND ADDRESS</b> <small>(INCLUDE STREET, CITY, STATE AND ZIP CODE)</small>	<b>2. CROP YEAR</b>	<b>3. WHEAT CLASS</b>
	<b>4. APPLICANT'S REQUEST</b> <i>(Check the appropriate request)</i>  <input type="checkbox"/> Producer <input type="checkbox"/> National Karnal Bunt Survey Participant <input type="checkbox"/> Handler <input type="checkbox"/> Other (Please specify) _____	
<b>5. TYPE OF COMPENSATION</b> <i>(Check the applicable type)</i>  <input type="checkbox"/> Wheat Grain <input type="checkbox"/> Wheat Seed <input type="checkbox"/> Other (Please Specify) _____		
<b>PART A - APPLICANT'S REPORT OF DATA</b>		
<b>6. DOCUMENTATION</b> <i>(Attach applicable documents)</i> <small>(Check all that apply)</small>  <input type="checkbox"/> Contract (If checked, date of contract) _____ <input type="checkbox"/> Final Sales Receipt <input type="checkbox"/> Emergency Action Notification <input type="checkbox"/> Weight Verification <input type="checkbox"/> Certified Seed Documentation <input type="checkbox"/> Other (Please Specify) _____	<b>7. KARNAL BUNT CERTIFICATE AVAILABLE</b>  <input type="checkbox"/> YES <input type="checkbox"/> NO Date of certificate(s) _____ (Positive) _____ (Negative)	
	<b>8. TO WHOM SOLD</b>  _____  <b>Contract Price:</b> _____ <b>Price Received:</b> _____	
<b>9. QUANTITY REQUESTED FOR COMPENSATION</b>  _____ Bushels          Other (Please Specify) _____		
<b>10. REGULATED CROP SEASON</b>  <input type="checkbox"/> First Regulated Crop Season (FSA must complete PPQ FORM 927) <input type="checkbox"/> Second Regulated Crop Season <input type="checkbox"/> N/A		
<b>PART B - APPLICANT'S CERTIFICATION</b>		
I certify that the above statements are true and correct to the best of my knowledge and belief. I request all amounts due me in accordance with all applicable laws and regulations governing the payment of such compensation. I further agree to accept the compensation payment for said losses incurred.		
<b>11. APPLICANT'S SIGNATURE</b>	<b>12. DATE</b>	
<b>PART C - COMPENSATION PAYMENT CALCULATION OR SEE WORKSHEET (PPQ FORM 927 or PPQ FORM 928 completed by FSA)</b>		
<b>13. COMPENSATION RATE</b>  <input type="checkbox"/> Producer/Handler: _____ <input type="checkbox"/> Other (Please Specify) _____		
<b>14. COMPENSATION CALCULATION</b>  _____ X _____ = \$ _____ Quantity                      Compensation Rate                      Compensation Payment	<b>15. CHECK NUMBER</b>	<b>16. DATE</b>
<b>PART D - COUNTY FSA COMMITTEE (COC) DETERMINATION</b>		
<b>17. REMARKS</b>  _____  _____		
<b>18. COC or REPRESENTATIVE ACTION</b>  <input type="checkbox"/> APPROVED <input type="checkbox"/> DISAPPROVED		
<b>19. COC or REPRESENTATIVE SIGNATURE</b>	<b>20. DATE</b>	
PPQ FORM 926 (DEC 97)		